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Housing Home Ownership Team

Guidance on the Right to Buy

If you are a tenant of Epping Forest District Council you may have the legal right to buy your home. You would get a discount on the price depending on the length of your tenancy, and whether it is a house or a flat. The discounts are set out in Section 5 of our Tenants Handbook “Buying your home from the Council”.

You will be given detailed information when you apply to buy your property. But before you apply, please read this leaflet which gives some guidelines.

First you should check that you meet these conditions:

- You must be a secure tenant. This is a legal term defined in the Housing Act 1985 (Part IV).
- The house or flat you wish to purchase must be your only home and it must be a self-contained property.

You cannot purchase under the Right to Buy if any of the following exceptions apply:-

- You live in sheltered housing or a home particularly suitable for occupation by older people.
- You live in temporary housing on land due to be developed.
- An ‘absolute possession order’ has been granted against your property (usually due to rent arrears or other breach of the Tenancy Conditions).

- If you have an outstanding debt to any creditor (including Epping Forest District Council) and an arrangement is in place to repay the debt you will not be able to purchase under the Right to Buy until this debt is repaid in full - please contact the Home Ownership Team if you require further clarification in this respect.

Qualifying period

The tenant applying must have held a public sector tenancy (normally a council or housing association tenancy) for a qualifying period of at least three years, including the tenancy with Epping Forest District Council. In the case of a joint application this must apply to at least one of the tenants.

Purchasing your property under the Right to Buy

1. The first step is to request a Right to Buy application pack. You can call the Home Ownership Team on **01992 564488** or email homeownershipteam@eppingforestdc.gov.uk, alternatively, you can write to the Home Ownership Team, Epping Forest District Council, Civic Offices, High Street, Epping, Essex CM16 4BZ.

Please note, the Right to Buy application pack can be sent to your email address or posted to your home address but cannot be not be delivered to any third party.

2. Please complete the forms and return it to the Home Ownership Team at the above address. You can post it or deliver it by hand to any of the Council's offices.

You can send the forms back by email, however any signatures will need to be handwritten as digital signatures cannot be accepted.

3. The Council will respond by sending you a notice (Form RTB2). This tells you whether you have the right to buy. If the right to buy is denied, the notice will explain the reasons for refusal.

There is a right of appeal to the Residential Property Tribunal Service.

We must respond within four weeks of receiving your application, or eight weeks if we need to check a previous tenancy or tenancies.

4. If we agree to sell, a valuation of your property must be carried out. You will then be sent an offer notice (Section 125 Notice). This informs you of the full price of the property, the discount entitlement and terms and conditions of the sale.

If you have a house this offer notice should normally be issued to you within eight weeks of the Right to Buy being agreed, or twelve weeks for a flat or maisonette. However this could take longer in some circumstances, if a structural survey is required for example.

Your discount may be reduced by the “cost floor rule”. This may apply if your home has recently been purchased or built by your landlord or they have spent money on repairing or maintaining it.

If the initial purchase, or building cost of the property by your landlord, or the works carried out on the property over the 10 year period is greater than the market value of your home, you will not receive any discount.

This period is 15 years if your home was built or acquired by your landlord after 2 April 2012.

Please Note: We cannot give you an informal valuation. If you want a guide to prices please check with local estate agents, or in the local press. If you have access to the Internet there are several websites that can give you local information, but you may have to pay a small fee. The actual property valuation will be carried out by an independent firm of residential property valuers appointed by the council.

5. If you decide to purchase your property you must complete a

“Notice of Intention” (Form HA20), and return it to the Home Ownership Team as quickly as possible. It must be completed no later than the date shown on the offer letter (3 months). Otherwise a 28 day default notice will be sent to you (this is required under section 125E of the Housing Act 1985) and we would be required to withdraw the offer price. You would need to re-apply if you wanted to continue with the purchase, and the property would have to be revalued.

Within the three-month deadline shown on the offer, you are allowed to challenge the valuation (this information is shown on your offer letter). However, please be clear that this could result in the valuation being increased or decreased. The District Valuation Office carries out the re-determination (checks the original valuation) and once they have decided the final valuation it cannot be challenged by you or the Council.

Getting a mortgage

If you need a mortgage this is the stage, if you have not already done so, when you should talk to a bank or building society, and engage a solicitor to advise you on your purchase. There are various kinds of mortgages now available and we suggest you get as much information as possible to choose the loan most suited to your needs. You may also wish to employ the services of a financial adviser.

6. When we have received your “Notice of Intention” we will request sale plans to be drawn which are required by the Land Registry. On receipt of the sale plans the application will be sent to our Legal Section so the sale can be completed with you and your Solicitor. We will require sight of full proof of funding for the purchase e.g. a full copy of the mortgage offer before completion can take place. The sale should be completed as quickly as possible. You will be given

a reasonable amount of time, but you will be served with two “56-day” notices, one directly following the other, if you fail to comply (under Section 140 and Section 141 of the Housing Act 1985). At the end of the notice period your offer will be withdrawn. You would need to re-apply, and the property would have to be re-valued.

The price you pay will be based on current market rates at the time you apply, less any discount awarded. The maximum discount you can get is **£84,200** unless your home is in London where the maximum discount is **£110,500**. The maximum discounts will increase on 6 April each year if the Consumer Price Index increases. If the index does not increase, the discounts will remain the same.

The Council’s duty

We must abide by the law too. If we have not complied with the legal guidelines, and this has caused a delay in your application, you may be allowed a reduction in the purchase price. You should fill in a delay notice (RTB 6 form) and return it to us. If the Council does not respond within one month, you should send in a second notice of delay (RTB 8). The rent you pay during this delay will be taken off the purchase price (but not if you are on housing benefit).

Advice to purchasers

You need to think about all the costs involved in buying your property, for example:-

- Stamp Duty.
- Survey fees.
- Valuation fees.
- Administration fees.
- Costs associated with taking out a mortgage.

- Costs if you employ a financial adviser.
- The legal fees for employing a solicitor.

When you have bought your home you will have regular payments to make such as:

- Your mortgage.
- Buildings insurance, life assurance and mortgage protection insurance.
- Your property must be insured for the full “re- instatement” value. A good policy will normally include the cost of alternative accommodation for you and your family in the case of a major disaster, but the premium is likely to be high.
- If you are purchasing a flat or maisonette the Council will insure the building. You will be charged an annual premium towards the cost based on the re-instatement value of the property.
- Council Tax.
- Water, sewerage, gas, electricity or other utility services.
- Service charges - if you purchase a flat or maisonette.

Leasehold properties

If you buy a flat or maisonette you acquire an interest in the property and become a Leaseholder. A condition of the Lease is that you must pay an estimated Management Charge every year for maintenance and service, in equal monthly instalments. A guide to the costs for the next five years is provided with the initial sale of the property to assist you.

Major work may be carried out from time to time, but we would consult you before any work starts. Some works can be costly and under the terms of your lease you will be required to contribute.

The Council, as the freeholder, can apply for repossession of your flat if you fail to pay your leasehold charges, or for severe breaches of the leasehold terms and conditions (these will be stated in the lease).

Whether you become a Leaseholder or a Freeholder (because you bought a house from us), you will need to consider all the costs. In addition to your regular payments you will need to budget for keeping the property maintained and in good repair. Your home could be repossessed if you fail to pay your bills - so please consider all the costs very carefully before applying.

This leaflet was produced for tenants of Epping Forest District Council to give some basic guidance on the Right to Buy. If you would like more details, please refer to the Government's guideline booklet "[Your Right to Buy your home](#)".

If you have any other queries, or assistance in relation to buying your home, please contact the Council's Home Ownership Team.

Phone: **01992 564428** or write in to the address shown below:

Home Ownership Team
Epping Forest District Council
Civic Offices, High Street,
Epping, Essex CM16 4BZ

Email: homeownershipteam@eppingforestdc.gov.uk

Citizens Advice Bureau

Epping Forest Citizens Advice Bureau (CAB) can give support and independent financial advice on buying your council home. The CAB will also advise you on issues relating to council leaseholds.

For telephone advice phone **03444 770 808**
(Monday to Friday 10:00am to 4:00pm)

See the Epping Forest CAB website for individual branch names and their opening times at www.efcab.org.uk.

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